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FEDERAL COMMUNICATIONS COMMISSION  
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AUG 19 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
  
Implementation of Sections 3(n) )  
and 332 of the Communications Act ) GN Docket No. 93-252  
  
Regulatory Treatment of Mobile Services )

REPLY COMMENTS OF  
WOMEN OF WIRELESS<sup>SM</sup> (WOW)

Women of Wireless<sup>SM</sup> (WOW) hereby replies to comments filed in response to the FCC's Second Further Notice of Proposed Rule Making in the above referenced docket. Women of Wireless<sup>SM</sup> agrees with the comments of Motorola, Inc. and the American Mobile Telecommunications Association (AMTA) that non-equity arrangements, such as management agreements, resale agreements and joint marketing agreements, should not be treated as attributable interests. This is especially true for companies bidding in the entrepreneurial blocks.

I. INTRODUCTION

Women of Wireless<sup>SM</sup> is an association of women who own companies which plan to bid in the PCS auctions. As with the majority of women-owned businesses, our members face substantial hurdles in obtaining financing for their companies. As a result, our members need to form alliances and partnerships in order to secure enough capital to bid in the upcoming PCS auctions.

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## **II. THE FCC SHOULD NOT ADOPT A CMRS SPECTRUM AGGREGATION CAP**

Women of Wireless<sup>SM</sup> firmly believes that any expansion of the definition of attributable interests represents a further barrier to designated entity participation in the PCS auctions. The most important and overwhelming obstacle that designated entities face for entry into PCS is financing. One realistic option is to partner with a large entity. A woman-owned business needs significant flexibility to attract the interests of large corporations. These large corporations may or may not have cellular, SMR, or PCS licenses. For those companies holding FCC licenses, designated entities become far less attractive, and could be looked upon as a liability, if the FCC imposes a spectrum aggregation cap. As the Commission can see, limiting flexibility in non-equity arrangements reduces our ability to create alliances and partnerships that could benefit both parties in a business relationship.

## **III. NON-EQUITY ARRANGEMENTS SHOULD NOT BE ATTRIBUTABLE UNDER ANY ADOPTED CMRS SPECTRUM CAP**

Non-equity restrictions proposed by the Commission will preclude designated entities who win spectrum from expanding their businesses by offering services, such as management agreements, resale agreements and joint marketing agreements to multiple spectrum licensees. This reduces opportunities for women-owned businesses and hinders the ability of designated entities to compete effectively in the telecommunications marketplace. The proposal would also inhibit women-owned companies from entering into agreements which may augment and complement their operational capabilities.

While we recognize the Commission's concern in this area, we respectfully request that the Commission recognize the practical and hampering effects of such a proposal. WOW<sup>SM</sup> believes that women-owned companies will be able to effectively compete in PCS with large companies by offering specialized services, individualized customer service packages, and localized target

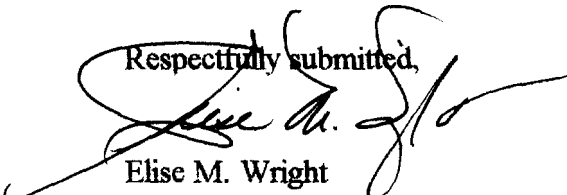
marketing. This will not only enhance the businesses of designated entities, but provide increased competition in the secondary marketplace as well.

Additionally, WOW<sup>SM</sup> recognizes that all hopeful women-owned companies may not win in the auction proceedings. Several of our members, however, have indicated a desire to offer specialized services, including management agreements, resale agreements, and joint marketing agreements, regardless of the outcome of their bidding strategies. Because the auction concept has to date been wildly successful in raising funds for the government, we believe that the FCC will probably continue with spectrum auctions. Those of us unable to secure PCS spectrum in this round do not want our opportunities in future spectrum auctions abrogated by the inclusion of non-equity arrangements as attributable interests in the Commission's rules.

#### IV. SUMMARY

The Commission should carefully consider the impact of these restrictions on designated entities. We applaud the Commission for adopting rules which encourage designated entities, and especially women-owned businesses, to participate in Commercial Mobile Radio Service opportunities. Flexibility to develop business relationships is key for the success of these entities. Attributing non-equity arrangements to licensees and applying a spectrum cap is counter to encouraging designated entity participation in PCS.

Respectfully submitted,



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August 19, 1994